



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

March 15, 2022

Municipality and Community Owned Natural Gas Operators:

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (Act), which is the most significant investment in our Nation's infrastructure in more than half a century. The Act includes funding for creation of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Natural Gas Distribution Infrastructure Safety and Modernization Grant Program. In order to ensure this program has the biggest impact, we invite your initial input.

The Act appropriated \$1 billion in grant funding (\$200 million a year over the next 5 years) to be made available to municipality or community owned utilities (not including for-profit entities) to repair, rehabilitate, or replace natural gas distribution pipelines, or portions thereof, or to acquire equipment to reduce incidents and fatalities, and to avoid economic loss. Your organization has been identified as a municipality or community owned natural gas utility that may be eligible for this funding.

PHMSA invites potential applicants to reply with a brief statement of interest and to provide information and suggestions in response to the questions listed in the enclosure. This information will assist us as we prepare to implement and administer this grant program. Potential applicants are not required to respond to the statement of interest and not responding will have no effect on your ability to later apply for or be awarded a grant. Please email your responses to PHMSAPipelineBILGrant@dot.gov.

In awarding grants from funds made available under the Act, we must consider, among other things: (1) the risk profile of the existing pipeline system operated by the applicant for this grant, including the presence of pipe prone to leakage; (2) the potential of the pipeline project for creating jobs; (3) the potential for benefiting disadvantaged rural and urban communities; and (4) economic impact or growth. Accordingly, PHMSA anticipates awarding grants to applicants that have identified pipeline projects that involve the repair, rehabilitation, or replacement of legacy cast iron, bare steel, and legacy plastic gas distribution pipelines. Preference may be given to applicants that expedite such projects, as part of existing long-term system maintenance, repair, or upgrade plans. PHMSA will also consider applications for equipment purchases so long as the equipment purchases directly enable repair, rehabilitation, or replacement of pipelines that otherwise might not be remediated.

In order to comply with the National Environmental Policy Act (NEPA), PHMSA will undertake a two-tiered programmatic environmental assessment to analyze the anticipated environmental impacts of the proposed projects. PHMSA will prepare a document to discuss environmental impacts at the national level and solicit comment. Each applicant will need to complete an environmental questionnaire that PHMSA will provide to assist applicants in completion of a site-specific environmental assessment to consider any impacts unique to your proposed project. PHMSA will assist in this process and in other environmental compliance areas, if needed. We anticipate grant awards can be utilized to reimburse costs for the environmental analysis. If impacts are more extensive than anticipated, the project-specific environmental analysis may require an additional public comment period.

In considering the additional statutory criteria beyond the safety and leak-risk profile, PHMSA anticipates considering whether the wages that will be paid to workers performing work on the proposed projects substantially bolster the projects' impact on job creation and economic growth; the projects' proximity to disadvantaged rural and urban populations and the projects' anticipated economic or environmental benefits to disadvantaged rural and urban populations.

In the near future, PHMSA will publish a Notice of Funding Opportunity (NOFO) on Grants.gov which will outline application procedures and the criteria we will use to evaluate grant applications. We will also post relevant information on our website at <https://www.phmsa.dot.gov/grants/pipeline/natural-gas-distribution-infrastructure-safety-and-modernization-grants>.

Should you have any questions about this grant program, please send them to Bill Rush, Director, Operations and Standards, via email at PHMSAPipelineBILGrant@dot.gov. All questions received will be addressed in a Questions and Answers document that will be published on our website and www.Grants.gov.

Sincerely,

ALAN KRAMER MAYBERRY
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KRAMER MAYBERRY
Date: 2022.03.14 17:15:06
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Alan K. Mayberry
Associate Administrator for Pipeline Safety

Enclosure

Statement of Interest and Other Information

(best efforts with your current knowledge)

1. Name of Operator:

2. Operator's Point of Contact:

3. Brief statement of interest

(Example: we have 2 miles of bare steel/cast iron/legacy plastic main; we are looking to potentially repair or replace using this grant. This project could take approximately xxx months.)

(Example: we are interested in purchasing leak detection equipment such as, xxx, which will enable prioritization and immediate repair/rehabilitation/replacement of higher risk pipes in our system)

4. Do you have an infrastructure upgrade project in mind, already planned, or in process that this funding could help expedite?

(Example – we are replacing 2 miles of cast iron main within the city of xxx at a budgeted cost of \$\$\$\$. This project started xxx and is expected to finish xxx.)

(Is your project on your wish-list or in the planning process? Or, has your project started?)

5. Is there pipeline safety equipment that would help meet the goals of identifying high risk/leak prone pipes and enable you to immediately prioritize and where applicable initiate pipeline repair, rehabilitation, or replacement that you would otherwise not be able to do?

(Example – we would like to purchase 1 remote methane leak detector, 1 flame-ionization leak detector to conduct leak surveys and 1 portable gas detector to assess customer leak complaints.)

6. PHMSA's grant funding mechanism provides for reimbursement after costs are incurred. Do you have the ability to successfully make upfront financial arrangements for your project—or will the award itself allow you to secure the immediate capital you need for the project?

(Example – we have the necessary financial resources in place to complete the project or complete distinct portions of the project before it is reimbursed by this grant.)

Statement of Interest and Other Information

(best efforts with your current knowledge)

7. What types of information do you collect now related to repair, rehabilitation, or replacement of legacy pipelines including impact of your projects?

(Example – we collect physical information, such as number of miles of pipeline replaced/rehabilitated, vintage of pipe replaced/rehabilitated, number of service lines replaced, main and service lines replaced with xxx (pipe material type), replacement was as a result of DIMP, or an incident or other reasons. We collect the number of labor hours involved in completing the project not including labor hours spent by the operators' full-time employees. We collect socio-economic information, such as areas/locations of the project (rural, urban, disadvantaged), others.)

8. PHMSA must consider and document potential environmental impacts related to projects funded with this grant. PHMSA will provide each applicant with a questionnaire that solicits information about local conditions, including environmental resources and community demographics. Each applicant will also be expected to employ mitigation strategies as directed by PHMSA to minimize environmental or other impacts. PHMSA will have personnel available to applicants and grantees to help in this process, if needed. Are you willing to employ mitigation strategies and participate in this environmental analysis process?

PHMSA NGDISM Outreach email Attachment 3

Additional details on Grant.gov; FedConnect; and SAM.gov

Each applicant is required to:

- Register with Grants.gov to be informed when the NOFO is published.
 - Use Grants.gov to apply electronically.
 - Register with FedConnect.net.
 - Register in SAM.gov (SAM) before submitting your application.
 - Provide a valid Unique Entity Identifier (UEI) number in your application.
 - Maintain an active SAM registration and UEI with current information at all times during which awardee/applicant has an active federal award or an application under consideration by PHMSA.
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- **Grants.gov.** For new users, go to <http://www.grants.gov/web/grants/applicants.html>, or go to the main page at <http://www.grants.gov/> and select “Register.” NOTE: New user registrations for Grants.gov can take up to two weeks to complete. For additional questions on how to register, contact Grants.gov support by phone at (800) 518-4726 or via email at support@grants.gov.
 - **FedConnect.** Applicants must register with FedConnect at <https://www.fedconnect.net> for an account before submitting an application. Your organization’s Marketing Partner ID number (MPIN), which can be retrieved from SAM, is required to create an account. For instructions on how to register in FedConnect and how to use the portal, click on the link to review the tutorial on the FedConnect home page. For other technical issues or questions, either email fcsupport@unisonglobal.com or call 1-800-899-6665, option 2. The FedConnect Support Center is staffed Monday - Friday 8 a.m. to 8 p.m., ET, except federal holidays.
 - **Unique Entity Identifier (UEI) and System for Award Management (SAM).** PHMSA may not make an award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements. If an applicant has not fully complied with the requirements by the time PHMSA is ready to make an award, PHMSA may determine that the applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant. PHMSA recommends that applicants review the SAM database to ensure that their UEI number is updated and “active.” Link: <https://www.sam.gov/portal/public/SAM/>